



To: Members of the Montana Legislature

From: Katie Spaid, State Director for Montana
Kelly Jepson, Policy Analyst, and Government Relations

Date: September 5, 2017

Subject: Legislative Objection to ARM Notices 37-788, 37-801, & 37-802

Rate cuts proposed in the above Public Notices will have a direct negative impact on the 1,100 Members 1,400 caregivers, and 300 administrative staff we work with in Montana. **We ask that you continue to support the objection to Medicaid rate cuts proposed by DPHHS.**

Over the course of the past year, we have attempted to **educate DPHHS on the already grave state of affairs** regarding direct care worker wages, RN and LPN wages, case management wages, and rates for various services. In an effort to make up for lost revenue, we have **closed office buildings in Helena and Bozeman**. We have researched and **offered DPHHS solutions via administrative rule change or policy change** that could be used in lieu of cuts to reimbursement rates or direct care wages. These options have been submitted to DPHHS on multiple occasions, both in person and via email. We have **ceased to provide Private Duty Nursing services under a DD program**, all in an effort to **cease operating many of our programs at a massive loss**.

HCBS providers are primarily Medicaid-funded, meaning **we do not have additional revenue streams to supplement cuts of this magnitude without ceasing to provide additional services, close additional office locations, and reduce direct care wages and staffing wages across the state**. We already face insurmountable challenges in finding qualified staff who will work for the low hourly wage we can pay them under the current reimbursement rates.

Cuts to HCBS services cannot be absorbed by providers at the proposed levels. If these rates are adopted, as a business we will be forced to consider the sustainability of **Targeted Case Management for Children's Mental Health** and the **Private Duty Nursing program under both the state plan EPSDT benefit and under the Big Sky Waiver**. Access to services are in real danger of being reduced to levels which will leave people without the option for care in their homes altogether, increasing utilization of costlier hospital and emergency room settings over time (which will not produce the desired effect of the cuts, to lower spending to the state budget).

Please continue to support the objection to ARM Notices 37-788, 37-801, and 37-802.

Sincerely,

Kelly Jepson & staff at the Consumer Direct Care Network

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CC: Steve Bullock Dan Villa Sheila Hogan
Finance Committee
Children, Families, Health & Human Services Committee
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